

Message Text

LIMITED OFFICIAL USE

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ACTION EA-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 /086 W
-----059473 280734Z /11

R 280648Z FEB 78
FM AMEMBASSY KUALA LUMPUR
TO SECSTATE WASHDC 2627
INFO AMEMBASSY BANGKOK
AMEMBASSY JAKARTA
AMEMBASSY MANILA
AMEMBASSY SINGAPORE
AMCONSUL HONG KONG

LIMITED OFFICIAL USE KUALA LUMPUR 1678

E.O.11652: N/A
TAGS: EFIN, MY
SUBJECT: MALAYSIAN REFINANCING OF EXTERNAL DEBT

1. THE BUSINESS TIMES OF FEBRUARY 28 REPORTED THAT THE GOM IS BORROWING \$400 MILLION INTERNATIONALLY FROM A CONSORTIUM LED BY CHASE, BANK BUMIPUTRA (A MALAYSIAN BANK), MORGAN GUARANTY AND CITIBANK. TERMS OF THE LOAN ARE .75 PERCENT OVER LIBOR OVER A PERIOD OF EIGHT YEARS. THIS WILL BE THE LARGEST SINGLE FOREIGN LOAN RAISED BY THE GOM.

2. WHILE NO ANNOUNCEMENT HAS BEEN MADE CONCERNING THE USE OF THE BORROWED FUNDS, A BANK BUMIPUTRA REP. HAS INFORMED THE EMBASSY THAT THIS IS ESSENTIALLY AN EXERCISE IN RESCHEDULING PREVIOUS DEBTS AT MORE FAVORABLE TERMS, AS THE LOANS TO BE REPAID CARRIED INTEREST RATES OF UP TO 1.675 PERCENT OVER LIBOR.

3. COMMENT: THIS MOST RECENT LOAN GOES FURTHER IN SHOWING THE LIMITED OFFICIAL USE

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EASE IN WHICH MALAYSIA IS ABLE TO ATTRACT FUNDS AT VERY FAVORABLE TERMS. IT IS DOUBTFUL, HOWEVER, IF THE MALAYSIANS WILL REENTER THE MARKET FOR ANY SUBSTANTIAL AMOUNT DURING THE REMAINDER OF THE YEAR.
MILLER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEBTS, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978KUALA01678
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780091-0311
Format: TEL
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978024/aaaaadfs.tel
Line Count: 60
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 20dfa2d4-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3557305
Secure: OPEN
Status: NATIVE
Subject: MALAYSIAN REFINANCING OF EXTERNAL DEBT
TAGS: EFIN, MY
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/20dfa2d4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
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